

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

April 21, 2021

3:22 p.m.

DRAFT

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
Representative Ivy Spohnholz, Co-Chair
Representative Calvin Schrage
Representative Liz Snyder
Representative James Kaufman
Representative Ken McCarty

MEMBERS ABSENT

Representative David Nelson

COMMITTEE CALENDAR

HOUSE BILL NO. 85

"An Act relating to the Alaska Banking Code; relating to mutual savings banks; relating to interstate state banks and international banks; relating to the pledging of bank assets as collateral security to tribal organizations; relating to the pledging of bank assets for interest swap agreements; relating to state business licenses; relating to persons who make loans secured by interests in vessels or facilities; relating to liability for the release or threatened release of hazardous substances; relating to the Model Foreign Bank Loan Act; and providing for an effective date."

- MOVED CSHB 85(L&C) OUT OF COMMITTEE

PRESENTATION(S): COVID-19 Vaccinations & Re-Opening Alaska's Economy

- HEARD

PRESENTATION(S): Licensure Processing

- HEARD

CONFIRMATION HEARING(S):

Alaska State Board of Public Accountancy

Steve Jordan - Anchorage

- CONFIRMATION(S) ADVANCED

Marijuana Control Board

Christopher Jaime - Soldotna

Bruce Schulte - Anchorage

- CONFIRMATION(S) ADVANCED

Real Estate Commission

Traci Heaton - Juneau

Elizabeth Schok - Fairbanks

- CONFIRMATION(S) ADVANCED

Board of Professional Counselors

Dorene Hagen - Anchorage

- CONFIRMATION(S) ADVANCED

Board of Veterinary Examiners

Hal Geiger - Juneau

Scott Flamme - Fairbanks

- CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: HB 85

SHORT TITLE: FINANCIAL INSTITUTIONS; LIABILITY

SPONSOR(S): REPRESENTATIVE(S) LEBON BY REQUEST

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	L&C, FIN
04/07/21	(H)	L&C AT 3:15 PM BARNES 124
04/07/21	(H)	Heard & Held
04/07/21	(H)	MINUTE(L&C)
04/19/21	(H)	L&C AT 3:15 PM BARNES 124
04/19/21	(H)	Heard & Held
04/19/21	(H)	MINUTE(L&C)
04/21/21	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE BART LEBON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, commented during the hearing on the committee substitute for HB 85.

ROBERT BREWSTER, President & CEO
The Alaska Club
Anchorage, Alaska

POSITION STATEMENT: Gave testimony during the presentation on COVID-19 Vaccinations & Re-Opening Alaska's Economy.

SARA GREEN, Owner
Sara's Gift Cache
Anchorage, Alaska

POSITION STATEMENT: Gave testimony during the presentation on COVID-19 Vaccinations & Re-Opening Alaska's Economy.

RYAN STRONG, Executive Vice President and Chief Banking Officer
First National Bank Alaska
Fairbanks, Alaska

POSITION STATEMENT: Gave testimony during the presentation on COVID-19 Vaccinations & Re-Opening Alaska's Economy.

HEIDI HEINRICH, Co-Owner
Lucky Wishbone
Anchorage, Alaska

POSITION STATEMENT: Gave testimony during the presentation on COVID-19 Vaccinations & Re-Opening Alaska's Economy.

JANE ERICKSON, RN, President
Alaska Nurses Association
Anchorage, Alaska

POSITION STATEMENT: Gave testimony during the presentation on COVID-19 Vaccinations & Re-Opening Alaska's Economy.

SARA CHAMBERS, Director
Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community, and Economic Development
Juneau, Alaska

POSITION STATEMENT: Presented a PowerPoint during the presentation on Licensure Processing.

SARA MASSMANN, RN, Legislative Committee Co-Chair

Alaska Nurses Association
Anchorage, Alaska

POSITION STATEMENT: Gave testimony during the presentation on
Licensure Processing.

WENDY SCHRAGE, Vice President of State Government Affairs
Fresenius Medical Care
Newton, Kansas

POSITION STATEMENT: Gave testimony during the presentation on
Licensure Processing.

TONIE PROTZMAN, Executive Director
National Association of Social Workers, Alaska Chapter
Anchorage, Alaska

POSITION STATEMENT: Gave testimony during the presentation on
Licensure Processing.

RICHARD WEIN, MD, Chair
State Medical Board
Anchorage, Alaska

POSITION STATEMENT: Gave testimony during the presentation on
Licensure Processing.

JEANNIE MONK, Senior Vice President
Alaska State Hospital and Nursing Home Association
Juneau, Alaska

POSITION STATEMENT: Gave testimony during the presentation on
Licensure Processing.

ACTION NARRATIVE

[3:22:43 PM](#)

CO-CHAIR IVY SPOHNHOLZ called the House Labor and Commerce
Standing Committee meeting to order at 3:22 p.m.
Representatives Kaufman, Schrage, McCarty, Snyder, Fields, and
Spohnholz were present at the call to order.

^#hb85

HB 85-FINANCIAL INSTITUTIONS; LIABILITY

[3:24:54 PM](#)

CO-CHAIR SPOHNHOLZ announced that the first order of business
would be HOUSE BILL NO. 85, "An Act relating to the Alaska
Banking Code; relating to mutual savings banks; relating to
interstate state banks and international banks; relating to the

pledging of bank assets as collateral security to tribal organizations; relating to the pledging of bank assets for interest swap agreements; relating to state business licenses; relating to persons who make loans secured by interests in vessels or facilities; relating to liability for the release or threatened release of hazardous substances; relating to the Model Foreign Bank Loan Act; and providing for an effective date." [Before the committee, adopted as a work draft during the meeting on 4/29/21, was the proposed committee substitute (CS) for HB 85, Version 32-LS0371\I, Bannister, 4/17/21 ("Version I")].

[3:25:38 PM](#)

The committee took an at-ease from 3:25 p.m. to 3:27 p.m.

[3:27:16 PM](#)

CO-CHAIR SPOHNHOLZ opened public testimony on HB 85, Version I. After ascertaining that no one wished to testify, she closed public testimony.

[3:27:32 PM](#)

REPRESENTATIVE BART LEBON, Alaska State Legislature, as prime sponsor of HB 85, thanked the committee and the Alaska Bankers Association and expressed his approval of the committee substitute (CS).

[3:28:05 PM](#)

CO-CHAIR FIELDS moved to report the CS for HB 85, Version 32-LS0371\I, Bannister, 4/17/21, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 85(L&C) was reported out of the House Labor and Commerce Standing Committee.

#

PRESENTATION(S): COVID-19 Vaccinations & Re-Opening Alaska's Economy

[3:28:34 PM](#)

CO-CHAIR SPOHNHOLZ announced that the next order of business would be a presentation on COVID-19 Vaccinations & Re-Opening Alaska's Economy.

[3:29:32 PM](#)

ROBERT BREWSTER, President & CEO, The Alaska Club, characterized COVID-19 as having been "disproportionately" challenging for the gym business. He said that The Alaska Club served 10 percent of the population before the pandemic, in the cities in which it operates, but now approximately 10,000 customers are "missing." Having high fixed costs means that a business can't scale according to demand, he said, with staff already low but building and equipment purchases in place. He expressed that the best path forward, to quell fear and reopen the economy, is through the use of vaccinations. He said there have been over a million visits to The Alaska Club since reopening in May 2020, but the public is still "rightly" concerned about contracting COVID-19. He said The Alaska Club, and the gym industry in general, has done well at keeping transmission rates low. Financial aid to the gym industry helps, he said, but it's not a long-term solution and what needs to be done is "beat the virus" through vaccinations and herd immunity.

[3:35:16 PM](#)

CO-CHAIR SPOHNHOLZ pointed out that 20 percent of workers in Alaska are non-residents, and she asked Mr. Brewster what he thinks of mandatory airport testing.

MR. BREWSTER replied that it's logical to test upon entering the state. He said that for people to want to be tested, the process can't be onerous.

CO-CHAIR SPOHNHOLZ noted that not only is airport testing optional, but the cost is also \$250 for non-residents. She said that it "seems a pretty high barrier" for a public safety measure.

[3:37:44 PM](#)

REPRESENTATIVE MCCARTY expressed the belief that people who have gotten COVID-19 are subsequently immune. He asked what Mr. Brewster thinks of those people.

MR. BREWSTER said he's not an immunologist and has heard that some people who have gotten COVID-19 may have some degree of natural immunity. He clarified that he doesn't believe it's a political issue, saying that he's been a pro-business conservative his entire life and that he sees vaccinations as being "pro-business."

REPRESENTATIVE MCCARTY asked for Mr. Brewster's suggestion regarding vaccine verification for members of The Alaska Club.

MR. BREWSTER replied that The Alaska Club is not planning on verifying vaccination status. He said the business has held vaccination clinics and hopes to encourage people, through education, to get vaccinated.

[3:41:05 PM](#)

CO-CHAIR FIELDS noted that people in Mr. Brewster's position can be helpful in encouraging people to get vaccinated, expressing that many people may not have thought about how vaccination is part of rebuilding the economy.

MR. BREWSTER expressed that he, personally, likes being protected through vaccination and said that he sees vaccination as an act of kindness towards others, as well as a business-centric solution. He noted that some businesses won't experience activity at a reasonable level until there are very low levels of transmission, and that not every business is going to get back to normal.

[3:42:56 PM](#)

SARA GREEN, Owner, Sara's Gift Cache, shared that her store re-opened in October 2020 at partial capacity. She said the way her business operates has changed, and now includes Facebook activity as well as increased philanthropic and community involvement. She noted that her business received CARES Act funding in December 2020. She then described seeing empty storefronts around downtown Anchorage and talked about creating an Iditarod-related community event. She said that her employees all stayed with her business even though there was no revenue with which to pay them, and that her vendors accepted sporadic payment until she was able to pay them completely with CARES Act funds. She stated that her view on vaccinations is that they're necessary for getting businesses "up and running."

[3:49:38 PM](#)

CO-CHAIR FIELDS commented that it's remarkable that so many businesses are staying open even though they're not making money. He then asked by what percentage Ms. Green's business has decreased compared to a normal year.

MS. GREEN replied that her business has decreased by approximately 80 percent. She described getting new customers from the Lower 48 through her Facebook activity.

[3:51:34 PM](#)

RYAN STRONG, Executive Vice President and Chief Banking Officer, First National Bank Alaska (FNBA), shared that FNBA has fared relatively well during the pandemic thanks to its history of investment in Internet-based and mobile banking options. He said the bank is fortunate to be well-capitalized with sufficient resources for continued operation. He said many customers have low levels of financial liquidity, so the Paycheck Protection Program (PPP) was especially helpful as businesses began closing. He said that his primary concern is currently bank customers who rely on the hospitality and tourism sectors and are facing another "catastrophic" year. Loans in the PPP program are ongoing, he said, with most businesses having already taken advantage of the option, and he hopes to keep the momentum going. He expressed that as the vaccination rate rises, he expects to see improvements in the economy, since consumer confidence and willingness to frequent businesses will likely also improve. Additionally, he said, a higher vaccination rate should attract visitors to Alaska.

[3:56:09 PM](#)

CO-CHAIR SPOHNHOLZ commented that evidence she has seen has shown that Mr. Strong's statement about the correlation between vaccination rates and consumer confidence is correct. She then asked how important he thinks it is to have COVID-19 testing at airports.

MR. STRONG replied that his personal opinion is that available testing is helpful. He related a story of visiting Hawaii and said that while he was willing to undergo the "onerous" requirements, he thought that many tourists would not be willing, and he said that he wouldn't want there to be any obstacles for tourists who want to visit Alaska.

CO-CHAIR SPOHNHOLZ pointed out that over 3,000 positive test results in 2020 were from airport testing. She asked whether Mr. Strong would support waiving the \$250 testing fee for non-residents.

MR. STRONG replied that if the test isn't required and comes with a price of \$250 it defeats the purpose of having the

testing available in the first place. He said that he sees free testing as another tool to increase consumer confidence.

4:00:06 PM

HEIDI HEINRICH, Co-Owner, Lucky Wishbone, said the business's dining room was last open on March 23, 2020, and that they are currently remodeling while providing takeout menu options. She said that 70 percent of the population of Anchorage and 50 percent of her own employees are vaccinated. She discussed the possible success of getting more young people to choose vaccination by making them aware that things could "get back to normal" if vaccination rates were higher. She said that Hawai'i, which mandates vaccinations and onsite testing for tourists, is seeing a return of tourism. She said Alaska has a "great opportunity" to reopen for tourism.

4:04:44 PM

CO-CHAIR FIELDS thanked Ms. Heinrich for her work and dedication to the community.

4:05:27 PM

JANE ERICKSON, RN, President, Alaska Nurses Association, shared that she works in the adult intensive care unit (ICU) at Providence Alaska Medical Center in Anchorage. She stated that she has taken care of patients who suffered from illness, tragedy, and diseases, and that she has "never seen anything like the COVID-19 pneumonia." She said that despite of the efforts and expertise of the medical teams, most of the patients died. She described the arduous process of using personal protective equipment (PPE) necessary to protect herself and other patients; if an emergency arose, she said, she couldn't just go help but would have to remove her PPE one step at a time, sanitizing in between each step, then put on many layers of fresh PPE before being able to assist. She said that during the initial surge of COVID-19, nurses were told to use only one set of gloves instead of two; to clean their face shields with cleaning wipes or spray cleaner; and to hope supplies lasted through the surge. She said medical professionals have always been taught that PPE is for single use only, but they were cleaning their own PPE supplies. She said, "So the pandemic changed everything. The simple, one-time-use mask, now we wore all day, every day, and the hospital said they couldn't get any more PPE, no matter how many avenues they tried. And they did try."

MS. ERICKSON described the loneliness and isolation of the patients, who were initially able to hold a phone to video call with their families; as their conditions deteriorated, however, nurses would be the ones communicating with the families. Ms. Erickson said, "The COVID-19 vaccine is a lifesaver. I believe that every effort should be made to encourage people to get one. Nurses are the number one trusted profession and can be a part of the messaging that the vaccine is important." She said that vaccination is critical, and that when vaccination rates plateau, cases of COVID-19 rise and she experiences more patients in the hospital, fighting for their lives.

[4:10:46 PM](#)

CO-CHAIR SPOHNHOLZ thanked Ms. Erickson for the difficult work she and her colleges in health care have had to undertake. She then pointed out that the Anchorage Daily News just reported that the state will have enough vaccines for every eligible Alaskan by the end of May 2021.

[4:12:26 PM](#)

REPRESENTATIVE SNYDER referenced Ms. Erickson's stated support for "outside the box" solutions and asked for more information.

MS. ERICKSON responded that she likes the idea of offering free testing and vaccinations at the airport. She also said that school nurses could perform vaccinations if the parents allowed it. She stated that she wanted to note the work done by the nurses at Alaska Native Medical Center (ANMC), who went throughout the state giving vaccines.

[4:14:37 PM](#)

CO-CHAIR SPOHNHOLZ commented on the success of the Alaska Native Tribal Health Consortium in getting vaccinations to communities across the state.

[4:15:19 PM](#)

REPRESENTATIVE MCCARTY mentioned an organization called the "British Academy of Sciences" and shared his belief that it has recently recognized the anti-parasitic drug Ivermectin as being effective against COVID-19. He asked Ms. Erickson for her opinion on that topic.

MS. ERICKSON said that she rarely sees parasitic infections in the adult ICU and suggested that ANMC sees those types of cases, since the population it serves is more likely to have poor sanitation.

REPRESENTATIVE MCCARTY clarified by stating his belief that Ivermectin has been found to be an effective treatment of COVID-19.

MS. ERICKSON replied that she would like to see data. She wondered whether Ivermectin is being administered for an active infection or as a prophylactic.

REPRESENTATIVE MCCARTY said the "British Academy of Sciences" recognizes its effectiveness for both uses.

MS. ERICKSON responded that it would be great if it worked.

[4:18:28 PM](#)

REPRESENTATIVE SCHRAGE stated his assumption that Ms. Erickson would advise caution in recommending treatments without broader analysis.

MS. ERICKSON stated her agreement.

PRESENTATION(S): Licensure Processing

[4:19:14 PM](#)

CO-CHAIR SPOHNHOLZ announced that the next order of business would be a presentation on licensure processing.

[4:20:10 PM](#)

SARA CHAMBERS, Director, Division of Corporations, Business, and Professional Licensing (CBPL), Department of Commerce, Community, and Economic Development (DCCED), presented a PowerPoint titled "Professional Licensing Process Overview" [hard copy included in the committee packet] during the presentation on Licensure Processing. She began with slide 2, "CBPL: Self-Funded Services to Support Businesses & Protect Consumers," which read as follows [original punctuation provided]:

Business Licensing

- Answer questions about applications

- Issue business licenses
- Grant endorsements to sell nicotine products

Corporations

- Assist corporations with registration
- Register trademarks
- Maintain corporate reporting records

Professional Licensing

- License qualified professionals per AS 08
- Provide administrative support for twenty-one boards

Enforcement

- Enforce licensing statutes and regulations
- Investigate public complaints regarding violations of licensing law
- Assist boards, commissions, and the division director when considering license discipline

Administrative Support

- Provide front-line customer service
- Support division's clerical and fiscal functions

MS. CHAMBERS presented slide 3, "22 Programs Regulated by the Division," which read as follows [original punctuation provided]:

Acupuncturists
 Athletic Trainers
 Audiologists
 Behavior Analysts
 Collection Agencies
 Guardians & Conservators
 Construction Contractors
 Concert Promoters
 Dietitians & Nutritionists
 Dispensing Opticians
 Electrical Administrators
 Animal Euthanasia Permits
 Professional Geologists
 Hearing Aid Dealers
 Home Inspectors
 Mechanical Administrators
 Morticians
 Naturopaths
 Nursing Home Administrators
 Pawnbrokers

Speech-Language Pathologists
Underground Storage Tank Workers

MS. CHAMBERS presented slide 4, "21 Programs Regulated by Boards," which read as follows [original punctuation provided]:

Board of Registration for Architects, Engineers and
Land Surveyors
Board of Barbers and Hairdressers
Big Game Commercial Services Board
Board of Chiropractic Examiners
Board of Dental Examiners
Board of Marine Pilots
State Medical Board
Board of Marital and Family Therapy
Board of Massage Therapists
Board of Certified Direct-Entry Midwives
Board of Nursing
Board of Examiners in Optometry
Board of Professional Counselors
Board of Pharmacy
Board of Physical Therapy and Occupational Therapy
Board of Psychologist and Psychological Associate
Examiners
Board of Public Accountancy
Board of Certified Real Estate Appraisers
Real Estate Commission
Board of Social Work Examiners
Board of Veterinary Examiners

[4:23:06 PM](#)

MS. CHAMBERS presented slide 5, "40% Increase in Professional Licenses since 2010," which showed a bar graph illustrating 52,333 licenses in 2010; 71,642 licenses in 2015; and 88,331 licenses in 2020. She then presented slide 6, "40% Increase in Professional Licenses Since 2010," which was subtitled, "13% Increase in Division Staff Since 2010," and displayed a bar graph showing 83 new staff in 2010 and 96 in 2020. She noted that CBPL is self-funded, with licensees paying for personnel costs.

[4:25:02 PM](#)

REPRESENTATIVE SCHRAGE asked whether CBPL experienced a decrease in licensure applications during the COVID-19 pandemic. He also

asked whether Ms. Chambers anticipates growth in licensees as a continuing trend.

MS. CHAMBERS responded that the division saw an increase in applications stemming from the demand in the healthcare sector. She pointed out that hospitals urgently needed personnel and that CBPL was under "constant demand" to get professionals licensed quickly. She said that as legislation adds new licensing programs, and as business and the demand for healthcare grows, the demand for licensure will also grow.

REPRESENTATIVE SCHRAGE asked about the growth of licensure applications for non-healthcare industries.

MS. CHAMBERS replied that she would get the information.

4:27:18 PM

REPRESENTATIVE MCCARTY asked when CBPL migrated to electronic servicing of licensure.

MS. CHAMBERS said that most of the corporate and business license filing services have been online for at least 10 years. She noted that some corporate filings that still require paper, but that most of the largest programs had an online renewal feature in 2011, the licensing system was revamped in 2015 to add an online renewal feature, and initial applications could be filed online beginning in 2018.

REPRESENTATIVE MCCARTY asked what percentage of the 2020 licensure applications were initial applications stemming from COVID-19.

MS. CHAMBERS responded that most of the 2020 licenses were new and renewing licensees and said that she would get more information.

REPRESENTATIVE MCCARTY shared his understanding that license fees were not being collected in 2020.

MS. CHAMBERS explained that businesses were struggling to survive during 2020 and business licensing fees were waived as a response. She pointed out that professional licensing fees were not waived, but that there exists a statutory prohibition from increasing licensing fees. She noted that CBPL has asked for \$400,000 from the general fund to offset the lack of increase in fees.

[4:34:46 PM](#)

CO-CHAIR SPOHNHOLZ referred to Ms. Chambers' earlier assertion that one new board and five new programs were added between 2010 and 2020 and asked for more information.

MS. CHAMBERS responded that the legislature added pawnbrokers, athletic trainers, and behavior analysts to the programs serviced by CBPL. She said the Board of Massage Therapists was also added.

CO-CHAIR SPOHNHOLZ commented that while there's a "fairly steady" increase in the number of licenses, the division's staff has not grown at the same rate.

MS. CHAMBERS agreed and said that CBPL is trying to find a responsible balance of overhead without increasing fees. She pointed out that the division is staffed largely by junior level positions, and the mobility out of the division means the division can't keep up with demand.

[Co-Chair Spohnholz passed the gavel to Co-Chair Fields.]

[4:38:20 PM](#)

SARA MASSMANN, RN, Legislative Committee Co-Chair, Alaska Nurses Association, stated that the profession of nursing holds a large number of professional licenses in Alaska. She shared that the Alaska Nurses Association does not believe the licensing system is broken but is in a position to help make the process easier, smoother, and faster, and that the association assists nurses through the licensure process. She expressed that the association would like to start a coordinated discussion with all groups with the intention of working with the administration to address issues. She said that some examples would be providing feedback on website design, a reexamination of licensure requirements, and combining FBI background checks.

[Co-Chair Fields passed the gavel to Co-Chair Spohnholz.]

[4:40:52 PM](#)

CO-CHAIR SPOHNHOLZ stated that the committee would return to Ms. Massmann's testimony after Ms. Chambers concludes her PowerPoint presentation.

[4:41:30 PM](#)

MS. CHAMBERS resumed her PowerPoint presentation with slide 7, "Complications of COVID-19: Workload," which displayed a graph comparing CBPL activities in 2019 to activities during the pandemic, occurring from approximately March 2020 to February 2021. The slide showed that there were 4 meetings of the Medical Board in 2019, compared with 25 during the pandemic; 0 medical courtesy licenses issued in 2019, but 75 during the pandemic; a total of 28 board regulations projects in 2019, compared with 77 during the pandemic; and 0 new license types created in 2019, compared with 17 during the pandemic.

MS. CHAMBERS presented slide 8, "Complications of COVID-19: Staffing," which read as follows [original punctuation provided]:

Budgeted:

29 examiner positions

7 executive administrator positions

March 2021:

21% key licensing positions were vacant.

Employees left Alaska, moved to less stressful state positions, retired, or stopped working altogether.

Medical Board and/or Board of Nursing executive positions were vacant during **10 of the last 14 months.**

MS. CHAMBERS stated that five CBPL employees retired or resigned within a four-day period.

[4:46:35 PM](#)

CO-CHAIR SPOHNHOLZ asked how competitive the salaries for positions in CBPL are.

MS. CHAMBERS replied that the prerequisite for a licensing examiner is administrative, "clerk-level" experience and that it isn't considered a professional position. She said that most of the boards are managed by a licensing examiner who would be making \$35,000-\$40,000 per year and be in charge of multiple boards and all of the license processing for the boards. She stated that her personal opinion is that the position is not correctly classified, and that salaries should be addressed. She then said that the executive-level positions are partially-exempt roles that are "pretty fairly" classified. She said that

one of the most critical roles, the Board of Nursing executive position, is one of the most difficult to recruit because it's statutorily required that the role be filled by a registered nurse who holds a master's degree in nursing. She said that someone with those credentials would demand a much higher salary in the private sector.

[4:51:14 PM](#)

REPRESENTATIVE MCCARTY noted to Ms. Chambers' assertion that license examiner is a transient position and asked whether the vacancy rate of 21 percent was an anomaly.

MS. CHAMBERS responded that CBPL usually has a 12 percent vacancy rate for licensing positions. She stated that she hopes 21 percent is not the "new normal," but when there is no margin in staffing, even 12 percent is difficult.

[4:52:49 PM](#)

CO-CHAIR SPOHNHOLZ expressed that there needs to be a little redundancy in any system to prevent gaps in service. She asked whether it's accurate to say that CBPL doesn't have the redundancy to handle operations when someone gets sick or resigns.

MS. CHAMBERS replied that the statement is reasonably accurate and said that the licensing examiners are often asked to learn other programs, with supervisors stepping in as board managers. She pointed out that there are many other duties besides license processing.

[4:56:00 PM](#)

REPRESENTATIVE KAUFMAN discussed quality management and the predictability of need. He asked whether CBPL runs such assessments.

MS. CHAMBERS replied that there is a management team that regularly shares information such as known absences and renewal schedules that provide natural, predictable increases in volume. She said that events such as COVID-19 can cause the focus to shift to the affected industries and away from industries that are less critical.

REPRESENTATIVE KAUFMAN asked whether the programs deliver good value or whether the state is licensing industries that don't need to be licensed.

MS. CHAMBERS responded that the governor had previously introduced legislation that included reforming the professional licensure process. She mentioned that there are ways to scale the work and use different models, but there are various outdated mechanisms in statute that the division is stuck with until the laws change. She expressed that proposed legislation which would modernize the practice parameters of certain professions gives her hope for similar modernizations within CBPL.

REPRESENTATIVE KAUFMAN expressed interest in hearing ideas for modernization.

CO-CHAIR SPOHNHOLZ commented that this could be an opportunity to consider process improvement.

[5:02:15 PM](#)

MS. CHAMBERS resumed her PowerPoint presentation with slide 9, "Complications of COVID-19: Staff/Board Review Times," which displayed a chart showing the slow review times of social worker, physician, and registered nurse licenses during COVID-19. She then quickly described slide 10, which illustrated the licensing process. She called the work done by the licensing examiners a "qualitative review" and briefly discussed the difficulty in putting together a complete application.

MS. CHAMBERS presented slide 11, "Solutions: Improved Technology," which read as follows [original punctuation provided]:

- **Self-service online portal** launched in 2018.
- **Access license file through MyAlaska.** Same login as PFD application.
- **Apply for and renew** professional licenses online.
- **Upload** documents, **allow** access to credentialing agencies, and **track** progress of application.
- **Go Paperless.** Update email and mailing addresses. Opt-in to receive electronic communication about licensure, regulations changes, and other important news.

MS. CHAMBERS continued her PowerPoint with slide 12, "Solutions: Phased Response to Personnel Issues," which read as follows [original punctuation provided]:

1. **Reallocate** existing staff from other programs to reduce delays.
2. **Add** nonpermanent administrative positions to normalize workload.
3. **Review and implement** systems changes, such as reclassification of positions to address deficiencies in support and improve employee retention.

MS. CHAMBERS presented slide 13, "Solutions: Improve Statutory/Regulatory Systems," which read as follows [original punctuation provided]:

1. **Update regulations** to utilize technology and eliminate outdated requirements.
2. **Adopt legislation** to streamline the application process without lowering standards.

[5:08:57 PM](#)

WENDY SCHRAGE, Vice President of State Government Affairs, Fresenius Medical Care, explained that Fresenius Medical Care provides life-sustaining dialysis to patients in facilities in Anchorage, Juneau, Soldotna, and Wasilla. Each dialysis patient has a multidisciplinary team of licensed professionals to care for them, she said, including registered nurses, dietitians, and social workers. She discussed a specific instance of a social worker who delayed moving to Alaska for several months due to problems with her licensure. She pointed out that the emergency courtesy licenses have been of tremendous help in allowing staffing flexibility. The advent and increased use of telehealth during the pandemic, she said, could cause an increase in license applications, as could the increased acceptance of telehealth by insurers.

[5:12:01 PM](#)

REPRESENTATIVE MCCARTY asked whether she sees challenges for current procedural terminology (CPT) coding and modifications with the use of telehealth.

MS. SCHRAGE replied that her company doesn't bill for telehealth, as it's part of the service.

[5:12:51 PM](#)

TONIE PROTZMAN, Executive Director, National Association of Social Workers, Alaska Chapter, shared her experience working with the current Board of Social Work Examiners. She said the most common reason why a social worker calls her is because the worker is unable to access the licensing board. She said that one social worker has been trying to get her license since 2019 and is unable to get questions answered, and that she has had several social workers with temporary licenses contact her after losing their insurance due to the lack of a permanent license. She stated that she represents 400 social workers in Alaska and asked the committee to help.

[5:16:37 PM](#)

REPRESENTATIVE MCCARTY asked whether Ms. Protzman has heard any discussion or interest regarding combining the five boards which deal in matters of behavior sciences.

MS. PROTZMAN replied that she is open to any solution.

[5:17:52 PM](#)

REPRESENTATIVE SNYDER provided the context that, while she doesn't have the specific budget for CBPL, the division's budget has been reduced by 80 percent since 2015.

[5:19:03 PM](#)

MS. MASSMANN resumed her testimony. She said that military spouses deserve an expedient transition to continuing their career in Alaska and stated the Alaska Nurses Association's support for a military spouse courtesy license to be available to all professions licensed by the state. She said the association would also like for there to be a review of all areas of licensure which may allow emergency licensure to respond to a health emergency. An example of a health emergency, she said, could be helping the outlying communities handle a viral outbreak.

[5:21:07 PM](#)

RICHARD WEIN, MD, Chair, State Medical Board, shared that the State Medical Board oversees 6,497 active licenses covering many types of medical professionals. He said that the board tells

applicants that an initial review of their application happens within 25 days of submittal, with their permanent license coming through 10 to 14 weeks later. The reality, he said, is that initial reviews are taking up to 45 days. He expressed that people still think of Alaska as the "last medical frontier," so due diligence is especially important in reviewing license applications. He said all staff members worked overtime to meet the needs that arose during the COVID-19 pandemic. He said that the applications have become more complex and include licenses and credentials from multiple states and hospitals, which puts a strain on due diligence. He stated, "We have been very compliant. We have met whenever is necessary in order to move things through real time."

DR. WEIN stated that other aspects relate to telemedicine, and that it now appears that someone can practice telemedicine within Alaska without being registered. He said telemedicine oversight is needed; someone could be practicing medicine, with no oversight, from a poolside in Florida. He discussed the prescription drug monitoring program (PDMP), the registration for which has now been merged with license renewal. He said the State Medical Board has a 97 percent registration compliance rate with PDMP and suggested that there are compliance issues which could be addressed by an improved system.

[5:29:14 PM](#)

JEANNIE MONK, Senior Vice President, Alaska State Hospital and Nursing Home Association, shared that her organization focuses on the length of time it takes to get a medical professional licensed to practice in a facility. She said the time is tracked from the point at which a medical professional is hired and begins to submit their application documents, and most of the delays occur during the application-building process. She stated that it often takes 18 weeks or more to get a physician licensed, which is twice as long as in other states; this creates a serious disadvantage, she said. She pointed out that the lack of staff at the Division of Corporations, Businesses, and Public Licensing limits timely communication and follow-up. She stated the association's support for hiring more license examiners. She then pointed out that the application process is often duplicative, with applicants being required to submit the same documentation multiple times. She expressed that the online application process, as well as the expedited process, have both been improvements, and the emergency courtesy licenses have been especially helpful. She noted that licensure compacts

with other states would lessen the application period for applicants who are already licensed in another state.

Alaska State Board of Public Accountancy
Marijuana Control Board
Real Estate Commission
Board of Professional Counselors
Board of Veterinary Examiners

[5:33:28 PM](#)

CO-CHAIR SPOHNHOLZ announced that the final order of business would be confirmation hearings for consideration of the governor's appointees to the Alaska State Board of Public Accountancy, the Marijuana Control Board, the Real Estate Commission, the Board of Professional Counselors, and the Board of Veterinary Examiners. [The confirmation hearings commenced on 4/19/21.]

CO-CHAIR SPOHNHOLZ stated that the House Labor and Commerce Standing Committee has reviewed the qualifications of the governor's appointees and recommends that the names be forwarded to a joint session for consideration: Steve Jordan, Alaska State Board of Public Accountancy; Christopher Jaime and Bruce Schulte, Marijuana Control Board; Traci Heaton and Elizabeth Schok, Real Estate Commission; Dorene Hagen, Board of Professional Counselors; and Hal Geiger and Scott Flamme, Board of Veterinary Examiners. She said that signing the report regarding appointments to boards and commissions in no way reflects an individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

[5:35:08 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:35 p.m.